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S E C R E T SECTION 1 OF 5 KATHMANDU 3745

DEPT ALSO FOR ACDA AND AID; CINCPAC FOR J4

E.O. 11652: GDS
TAGS/ MASS, NP
SUBJECT: ANNUAL INTEGRATED ASSESSMENT OF SECURITY ASSISTANCE

REF: (A) STATE 167901, (B) STATE 168320

FOLLOWING IS EMBASSY'S FIRST ANNUAL INTEGRATED ASSESSMENT OF SECURITY
ASSISTANCE REPORT IN RESPONSE TO REFTELS. REPORT FOLLOWS FORMAT AND
PARAGRAPHING CONTAINED IN PARA 3A, REF A.

1. U.S. INTERESTS AND SECURITY ASSISTANCE OBJECTIVES: US FOREIGN
POLICY AND SECURITY INTERESTS IN NEPAL ARE LIMITED. WE SEEK CONSOL-
IDATION OF THE EXISTING GOOD BILATERAL RELATIONS, CONTRIBUTING TO THE
CONTINUING EVOLUTION AND RAPID MODERNIZATION OF EXISTING INSTITUTIONS

WE ALSO WISH DEVELOPMENTS WITHIN NEPAL TO CONTRIBUTE TO OUR INTEREST
IN REGIONAL STABILITY AND COOPERATION IN SOUTH ASIA. OUR SMALL

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SECURITY ASSISTANCE PROGRAM -- ENTIRELY IMET -- ASSISTS BOTH OF
THESE OBJECTIVES.

INTERNATLLY, OUR IMET PROGRAM IS AN IMPORTANT DEMONSTRATION
OF OUR INTERES IN AND WILLINGNESS TO SUPPORT THE MODERNIZATION
OF AN IMPORTANT SEGMENT OF NEPALESE SOCIETY. EXPOSURE EACH
YEAR OF SEVERAL KEY OFFICERS TO THE U.S. PROMOTES MODERN CONCEPTS

OF THE ROLE OF THE MILITARY IN THIS DEVELOPING SOCIETY AND HELPS TO CREATE A FORWARD LOOKING AND WESTERN-ORIENTED MILITARY FORCE IN NEPAL.

THE ARMY IS IMPORTANT TO U.S. INTERESTS IN NEPAL IN THE BROAD PROSPECTIVE OF CONTRIBUTING TO SECURITY AND STABILITY IN THE REMOTE REGIONS OF THE NATION SO THAT OTHER DEVELOPMENT PROGRAMS CAN REACH INTO THESE AREAS. CONSISTENT WITH THESE OBJECTIVES, THE IMET IS PROFESSIONALLY ORIENTED, EMPHASIZING TRAINING IN SMALL UNIT LEADERSHIP, COUNTERINSURGENCY, CIVIL AFFAIRS, AND MAINTENANCE OF EQUIPMENT, AND INVOLVING EXPOSURE TO THE U.S. STAFF COLLEGE.

IN ADDITION TO ITS BASIC ASSISTANCE RATIONALE, THE IMET PROGRAM IS ALSO AN IMPORTANT MEANS OF ESTABLISHING CONTACT AND GOOD WORKING RELATIONSHIPS WITH THE NEPALESE MILITARY AND CONTRIBUTES TO THE CONTINUATION OF THE GENERALLY PRO-WESTERN ATTITUDES OF THIS ELEMENT OF THE COUNTRY'S DECISION MAKERS.

ON THE REGIONAL LEVEL, OUR PROGRAM HELPS TO DEMONSTRATE A CONTINUED U.S. INTEREST IN NEPAL'S ABILITY TO MAINTAIN ITS TERRITORIAL INTEGRITY AND INDEPENDENCE. WE WELCOME NEPAL'S REALISTIC ASSESSMENT OF THE LIMITED EXTERNAL SECURITY THREAT THAT IT FACES AND ITS REALISM IN RATING THE COUNTRY'S SECURITY NEEDS AND CAPABILITIES AGAINST COMPETING PRIORITIES (NEPAL SPENDS ONLY 5 PERCENT OF NATIONAL BUDGET ON DEFENSE). NEPAL, NEVERTHELESS, SECRET

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REQUIRES, WITHIN ITS OWN CONTEXT, A SENSE OF SECURITY AND CONFIDENCE IN DEALING WITH ITS NEIGHBORS, PARTICULARLY IF IT IS TO PLAY THE CONSTRUCTIVE ROLE WE DESIRE ON ISSUES OF REGIONAL DEVELOPMENT AND STABILITY. OUR PRESENCE AND SUPPORT, REFLECTED IN PART THROUGH THE IMET PROGRAM, CONTRIBUTES TO THAT END.

2. THREAT AND STRATEGIES: DIRECT MILITARY ATTACK BY EITHER OF NEPAL'S TWO NEIGHBORS (PRC AND INDIA) DOES NOT NOW APPEAR LIKELY TO OCCUR. IF EITHER WANTED TO ATTACK NEPAL, HOWEVER, THE ROYAL NEPAL ARMY (RNA) COULD NOT PROVIDE MORE THAN TOKEN RESISTANCE. A GREATER THREAT WOULD BE POLITICAL, IF INDIA ATTEMPTED TO MANIPULATE AND COERCE NEPAL INTO POLITICAL/ECONOMIC INTEGRATION WITH INDIA. NEPAL IS CAREFUL IN MAINTAINING THE PROPER RELATIONSHIP WITH INDIA AND THE PRC, WHICH NOW SEEMS TO FIND NEPAL A CONVENIENT BUFFER STATE. MOREOVER, NEPAL SEEKS TO BALANCE THE ONE AGAINST THE OTHER TO OFFSET ATTEMPTS BY EITHER TO DOMINATE.

AS FOR INTERNAL THREATS, THE PRINCIPAL CONCERN FOCUSES ON POSSIBLE POLITICAL UNREST AS DISSIDENTS, PRIMARILY THE NEPALI CONGRESS PARTY (NCP) HEADED BY B.P. KOIRALA (EX-PRIME MINISTER), SEEK TO RESTORE SOME FORM OF A PARLIAMENTARY DEMOCRACY. THE ACTIVE MEMBERS OF THE NCP APPEAR FEW IN NUMBER, HOWEVER. MOREOVER,

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WHILE SOME MEMBERS OF THE PARTY HAD PREVIOUSLY ADVOCATED ACTS OF VIOLENCE ON BEHALF OF THEIR CAUSE (B.P. KOIRALA HIMSELF IS NOT YET FINALLY CLEARED OF TREASON CHARGES BROUGHT AGAINST HIM), THIS TACTIC HAS NOW BEEN ABANDONED. (THE LAST SIGNIFICANT INSURGENT ACTION WAS DEC 74, WHEN SIXTEEN MEMBERS OF THE NCP WERE KILLED IN SOUTHEAST NEPAL). IN SHORT, THE NCP DOES NOT APPEAR TO POSE ANY REAL THREAT AND THERE ARE NO SIGNIFICANT INDICATIONS OF UNREST WITHIN THE COUNTRY. CHANCES OF COUNTRY-WIDE REVOLT ARE SLIM.

3. U.S. MISSION'S PERCEPTION OF THE THREAT: WE GENERALLY AGREE WITH THE GON THREAT ASSESSMENT. WE THINK INDIA'S POLITICAL OBJECTIVES ARE LIMITED. AN ATTEMPTED POLITICAL TAKE-OVER DOES NOT APPEAR TO BE AN ACTIVE POSSIBILITY. RATHER, INDIA IS CONTENT WITH MAINTAINING ITS INFLUENCE -- CONVERSELY, NEPALESE DEPENDENCE -- THUS LIMITING THE CHINESE WHOSE ACTIVITIES IN NEPAL RAISE THE POSSIBILITY OF CREATING A CHINESE AID/ECONOMIC
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PRESENCE IN THE TERA LOWLANDS ON INDIA'S BORDER.

THE GREATEST DANGER TO NEPAL WOULD BE IF EITHER OF ITS NEIGHBORS DECIDED IT WAS DESIRABLE OR NECESSARY TO OCCUPY NEPAL MILITARILY. IN THE EVENT OF RENEWAL OF HOSTILITIES BETWEEN THE PRC/INDIA, EITHER COMBATANT MIGHT DEEM IT TACTICALLY ESSENTIAL TO ATTACK THROUGH NEPALESE TERRITORY. SINCE THE 1962 SINO-INDIAN WAR, THE NEPALESE HIGHWAY NET HAS EXPANDED TO THE EXTENT THAT EITHER COMBATANT MIGHT WANT TO SEIZE AND BLOCK KEY ACCESS ROADS IN NEPAL. WE BELIEVE INDIA WOULD MOVE PREEMPTIVELY IF IT ANTICIPATED A CHINESE MILITARY INCURSION INTO NEPAL AS THE HIMALAYAN BARRIER IS INDIA'S FRONT WALL OF DEFENSE.

4. SUITABLE MILITARY FORCE: THE RNA HAS NO ILLUSION ABOUT ITS 22,000 MAN (13 BATTALIONS) FORCE BEING ABLE TO COUNTER ANY EXTERNAL THREAT BY INDIAN OR PRC OVERT MILITARY FORCE. NEPAL HAS NEITHER THE INDUSTRIAL BASE NOR THE PURCHASING POWER TO RAISE AND EQUIP A LARGE ARMY OR ESTABLISH AN AIR FORCE. NEPAL'S PRIME DEFENSE AGAINST EXTERNAL AGGRESSION IS POLITICAL: REMAIN NEUTRAL AND NON-ALIGNED. NEPAL'S ARMED FORCES DO HOPE TO BE ABLE TO CONTROL AND SUPPRESS ANY INTERNAL INSURGENCY SITUATIONS, SERVE AS BACKUP TO THE POLICE IN CERTAIN CIVIL DISORDERS, AND CONTINUE TO BE THE PRIME SUPPORT TO THE MONARCHY. IN THIS REGARD, RNA CONTINUES TO THINK IN TERMS OF A LIGHT INFANTRY FORCE, SUCH AS IT HAS NOW, AS BEST SUITED TO ITS NEEDS, AT TIMES IN RECENT YEARS THE NEPALESE MILITARY HAVE INFORMALLY SOUGHT, BUT NOT OBTAINED, MORE ADVANCED SYSTEMS/EQUIPMENT SUCH AS HEAT SEEKING ANTI-AIRCRAFT MISSILES TO COUNTER HIJACKINGS AND RAIDS, AND RADIO INTERCEPT AND DIRECTION FINDING EQUIPMENT TO COUNTER "ENEMY AGENTS". OVERALL, HOWEVER, THEIR AIMS FOR MODERNIZATION ARE GENERALLY MUCH MORE BASIC, PRACTICAL AND WELL SUITED TO THE CONSERVATIVE DEVELOPMENT OF THEIR RUDIMENTARY ARMED FORCE.

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THE RNA CONTINUES TO SEEK REPLACEMENT EQUIPMENT AND IMPROVED CAPABILITY FOR TRANSPORT (GROUND AND AIR), COMMUNICATION AND MEDICAL SUPPORT. WITH GRANT EQUIPMENT NO LONGER FORTHCOMING, THEY NOW INDICATE A WILLINGNESS TO MAKE SELECTED, SMALL SCALE PURCHASES ON CREDIT. THEY ARE, FOR EXAMPLE, CURRENTLY SEEKING STANDARD (NON-EXOTIC) ANTI-TANK WEAPONS BY THIS MEANS, THUS ADDING TO THEIR EXISTING CAPABILITIES.

5. FORCE ASSESSMENT IN RELATION TO U.S. INTERESTS: WE BELIEVE NEPALESE FORCES, IN TERMS OF SIZE, COMPOSITION AND ARMAMENTS, ARE BOTH REALISTIC FOR THE COUNTRY AND CONSISTENT WITH OUR INTERESTS. A SMALLER ESTABLISHMENT IN A COUNTRY OF 13 MILLION PEOPLE PRESENTING MAJOR LOGISTICAL PROBLEMS IS PROBABLY NOT REALISTIC. A LARGER FORCE WOULD ABSORB DESPERATELY NEEDED

RESOURCES WITHOUT BRINGING ADDITIONAL BENEFITS. THE CHOSEN MIDDLE GROUND MEETS MINIMUM SECURITY NEEDS AT REASONABLE COSTS, WHILE OCCASIONALLY CONTRIBUTING TO CIVIC ACTION AND DISASTER RELIEF EFFORTS OF THE GOVERNMENT.

6. ANALYSIS OF DEFENSE SPENDING: DEFENSE SPENDING IN THE PAST AND FOR THE FORESEEABLE FUTURE, AS WELL AS THE SMALL AMOUNT OF MILITARY AID RECEIVED, HAS LITTLE IMPACT OF THE ECONOMY IN NEPAL. THE DEFENSE BUDGET PROJECTED FOR FY79 IS 16.4 MILLION DOLLARS WHICH CONTINUES TO BE 5 TO 6 PERCENT OF THE TOTAL GON BUDGET AND APPROXIMATELY ONE PERCENT OF NEPAL'S GDP. IN CONTRAST, APPROXIMATELY 70 PERCENT OF NEPAL'S TOTAL BUDGET IS ALLOTTED TO DEVELOPMENT PROGRAMS. INFORMATION ON THE AMOUNT OF MILITARY IMPORTS IS NOT AVAILABLE, BUT THEY ARE OBVIOUSLY SMALL. OVERALL, NEPAL HAS NO DEBT SERVICE PROBLEM AND ITS FOREIGN EXCHANGE RESERVES, WHILE PERHAPS SHOWING A SLIGHT DIP THIS

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YEAR, ARE STILL COMFORTABLE.

7. PROJECTION OF DEFENSE ARTICLES AND SERVICES: NEPAL IS LIKELY TO SEEK: PROJECTIONS WERE SUBMITTED WITH THE FY80-84 MSAP BY USDAO KATHMANDU MSG 0001/031014Z JAN 78 TO CINCPAC. NEPAL IS NO LONGER AN AUTHORIZED MAP RECEIPT AND HAS NOT QUALIFIED FOR

FMS CREDIT. THE IMET PROGRAM WAS REQUESTED TO BE CONTINUED AT ITS PRESENT LEVEL OF \$60,000 PER YEAR FOR FY80-84. SINCE THAT SUBMISSION, RNA HAS PUT OUT FEELERS ABOUT PURCHASING WEAPONS THROUGH FMS CREDIT IF THE USG IS WILLING. THE USG POSITION IS TO DISCOURAGE THE INITIATION OF A CREDIT MILITARY SUPPLY RELATIONSHIP. RNA HAS ALSO INDICATED AN INTEREST IN PURCHASING SUPPORT EQUIPMENT, ESPECIALLY REPLACEMENT ITEMS FOR WORN-OUT VEHICLES, RADIOS AND MEDICAL EQUIPMENT. IF THE USG SHOULD INDICATE A WILLINGNESS TO PROVIDE NEPAL WITH FMS CREDIT FOR THIS PURPOSE, NEPAL WOULD LIKELY SEEK TO PURCHASE AN ESTIMATED TWO MILLION DOLLARS WORTH OF SUCH NON-LETHAL ITEMS DURING THE FY80-82 TIME FRAME. MOST
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LIKELY, NEPAL WILL NOT FORMALLY REQUEST SUCH EQUIPMENT UNLESS THERE IS SOME PRIOR INDICATION OF USG WILLINGNESS TO EXTEND FMS CREDIT. THE ALTERNATIVE OF CASH PURCHASE OF EQUIPMENT BY NEPAL IS UNLIKELY TO BE PURSUED AS LONG AS ANY GRANT OR CREDIT OPTIONS REMAIN OPEN FROM ANY SOURCE.

8. ASSESSMENT OF PROJECTED ITEMS:

A. IMET: NEPAL HAS A DEFINITE NEED TO CONTINUE TO RECEIVE FOREIGN GRANT AID TRAINING, UPON WHICH IT RELIES EXTENSIVELY FOR ITS ADVANCED OFFICER COURSES AND TO A LESSER DEGREE FOR TECHNICAL TRAINING. THE SMALL SIZE OF ITS FORCE MAKES IT IMPRACTICAL TO PROVIDE MANY COURSES IN-COUNTRY. NEPAL HAS INSUFFICIENT FUNDS TO PURCHASE OFF-SHORE EDUCATION AND MUST RELY ON DONORS, WHEREVER IT CAN FIND THEM. BY RECEIVING SUCH TRAINING, IT IMPROVES ITS LEADERSHIP, INCREASES THE EFFECTIVENESS OF ITS SMALL ARMY AND MODERNIZES AN IMPORTANT INSTITUTION WITHIN ITS GOVERNMENT. INDIA PROVIDES THE BULK OF SUCH TRAINING. IF THE U.S. DISCONTINUED ITS SUPPORT, THEN INDIA OR OTHER CURRENT DONORS MIGHT TAKE UP THE SLACK, BUT THE RESULT WOULD BE A LESSENING OF WESTERN INFLUENCE WITHIN THE NEPALESE ARMY. AS ANOTHER ALTERNATIVE NEPAL MIGHT SEEK TRAINING ASSISTANCE FROM COMMUNIST COUNTRIES (AN OPTION IT HAS NOT UTILIZED UP TO NOW) WITH MORE SERIOUS POTENTIAL CONSEQUENCES FOR U.S. INTERESTS.

B. FMS CREDITS OR SALES: THE MAIN SOURCE OF SUPPORT FOR THE RNA IN EQUIPMENT AS WELL AS TRAINING HAS BEEN INDIA. ALTHOUGH NEPAL WOULD CLEARLY LIKE TO REDUCE THIS DEPENDENCE, WE BELIEVE LEAVING THE DOMINANT SUPPORT ROLE TO THE INDIANS IS IN OUR INTERESTS. ON THE OTHER HAND, MUCH OF THE RNA'S SUPPORT EQUIPMENT, SUCH AS VEHICLES, RADIOS AND MEDICAL ITEMS -- THE MAJORITY PROVIDED UNDER U.S. MAP IN 1967-68 -- IS OLD AND IN SOME CASES INOPERABLE. SUCH INVENTORY BADLY NEEDS REPLACING IN ORDER FOR THE RNA TO PERFORM ITS LIMITED MISSION. TO REMAIN
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EFFECTIVE, THE RNA MUST MAINTAIN ITS CAPABILITY TO MOVE, COMMUNICATE AND PROVIDE ADEQUATE HEALTH CARE WITHIN THE RUGGED TOPOGRAPHY AND VARIED CLIMATE OF NEPAL. IN RECENT YEARS RNA HAS CONTINUALLY REQUESTED GRANT AID TO REPLACE THIS EQUIPMENT. HAVING LITTLE SUCCESS AT RECEIVING SUCH GRANTS FROM ANY SOURCE, INDICATIONS ARE THAT NEPAL INTENDS TO PURCHASE ON CREDIT. IF UNABLE TO QUALIFY FOR FMS CREDIT, IT WILL CERTAINLY SEEK OTHER SOURCES.

9. ECONOMIC IMPACT: CONTINUED RECEIPT OF IMET SERVICES WOULD HAVE NEGLIGIBLE IMPACT ON THE ECONOMY OF NEPAL, AS IT INVOLVES NO EXPENDITURE OF THEIR FUNDS AND TO OUR KNOWLEDGE DOES NOT APPEAR IN THEIR BUDGET AS FOREIGN AID. LIKEWISE, THE IMPACT OF CREDIT OR CASH SALES IN THE AMOUNT INDICATED (I.E. \$2 MILLION) WOULD BE MINIMAL AND ACCEPTABLE. THE RECORD OVER THE YEARS INDICATES THAT NEPAL'S MILITARY APPETITE IS UNLIKELY TO EXCEED ITS MEANS OR SQUEEZE DEVELOPMENT FUNDS.

10. ARMS CONTROL IMPACT: THERE IS NO ARMS CONTROL IMPACT IN ATTEMPTS BY NEPAL'S 22,000 MAN ARMY TO UNDERTAKE EXTREMELY MODEST MODERNIZATION EFFORTS OR REPLACE WORN OUT SUPPORT EQUIPMENT.

1. HUMAN RIGHTS: THE NEPALESE CONSTITUTION GRUARANTEES MANY INTERNATIONALLY RECOGNIZED HUMAN RIGHTS. THE GOVERNMENT DOES NOT CONDONE NOR APPARENTLY PRACTICE TORTURE, CRUEL AND INHUMAN PUNISHMENT OR PERSONAL ABUSE SUCH AS INVASION OF THE HOME. THE NEPALESE HAVE A LONG AND STRONG TRADITION OF RELIGIOUS TOLERANCE, EXEMPLIFIED BY HINDU-BUDDHIST INTERWORSHIP. IN THIS STRONGLY TRADITIONAL SOCIETY, THERE ARE SOME RESTRICTIONS ON PUBLIC ACTIVITY. LOYALTY TO THE MONARCHY AND TO THE "PANCHAYAT" SYSTEM ARE A PREREQUISITE FOR LEGAL POLITICAL ACTIVITY AND

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FREEDOM OF SPEECH AND THE PRESS IS RESTRICTED BY THE PRINCIPLE THAT THE MONARCHY IS ABOVE CRITICISM. THE TWO PRINCIPAL ENGLISH AND NEPALI LANGUAGE DAILY NEWSPAPERS ARE GOVERNMENT ORGANS, BUT NUMEROUS OTHER PAPERS CARRY ON AN OFTEN SPIRITED CRITIQUE OF THE GOVERNMENT (AS DISTINGUISHED FROM THE PALACE) AND ITS KEY OFFICIALS.

UNDER NEPAL'S CONSTITUTIONAL MONARCHY FINAL AUTHORITY RESTS WITH THE KING BUT IN DAILY PRACTICE IT IS THE INSTITUTIONS OF GOVERNMENT WHICH MAKE DECISIONS AND CARRY OUT POLICY. NEPAL HAS, FOR EXAMPLE, A WELL-ORGANIZED SYSTEM OF COURTS WHICH HAS RECENTLY DEMONSTRATED ITS INDEPENDENCE BY ACQUITTING A PROMINENT POLITICAL FIGURE OF FIVE CRIMINAL CHARGES WHICH HIS SUPPORTERS HAD CLAIMED TO BE POLITICALLY MOTIVATED.

NEPAL'S PUBLIC SECURITY ACT PROVIDES FOR PREVENTIVE DETENTION AND SUCH "OTHER MEASURES" AS MAY BE REQUIRED TO "MAINTAIN
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PEACE AND SECURITY". OPPONENTS OF THE SYSTEM HAVE IN THE PAST BEEN JAILED UNDER THIS ACT FOR EXTENDED PERIODS AND OUR INFORMATION IS THAT A SMALL NUMBER OF PERSONS ARE STILL BEING SO HELD. HOWEVER, SOME 40 DETAINEES - MOST OF THOSE PREVIOUSLY UNDER DETENTION -- WERE RELEASED WITHIN THE PAST TEN MONTH. DURING THE SAME PERIOD THE BANS THAT HAD BEEN IMPOSED ON SEVERAL NEWSPAPERS WERE LIFTED (THEY HAVE SINCE BEEN REIMPOSED IN ONE CASE, WITH THE CASE NOW UNDER LITIGATION BEFORE THE COURTS). THE GOVERNMENT HAS PERMITTED AMNESTY INTERNATIONAL OFFICIALS TO VISIT THE COUNTRY AND AMNESTY HAS A LOCAL REPRESENTATIVE ACTIVE IN COUNTRY.

THE MILITARY'S ROLE IN THIS HUMAN RIGHTS SITUATION IS VIRTUALLY NON-EXISTENT. BEYOND SHARING WITH THE POLICE, LARGELY ON A STANDBY BASIS, RESPONSIBILITY FOR PROTECTION OF THE KING AND HIS FAMILY, THE RNA'S ROLE IS STRICTLY MILITARY, LARGELY GARRISON DUTY WITH LITTLE EVERYDAY INVOLVEMENT WITH THE POLITICAL AND ECONOMIC LIFE OF THE COUNTRY. (RNA IS CURRENTLY INVOLVED IN ONE ROAD BUILDING PROJECT AND HAS IN THE PAST BEEN INVOLVED IN DISASTER RELIEF EFFORTS.)

GIVEN THIS ISOLATION, AND GIVEN THE SMALL SIZE OF THE SECURITY ASSISTANCE PROGRAM, IT IS DIFFICULT TO DISCERN ANY DIRECT CONNECTION BETWEEN THE PROGRAM AND OUR HUMAN RIGHTS OBJECTIVES. CLEARLY, HOWEVER, THE GOOD RELATIONS WE HAVE WITH THE RAN AND THE SUPPORT WE PROVIDE ARE ALL A PART OF THE GENERALLY EXCELLENT STATE OF OUR BILATERAL RELATIONS. THIS IN TURN ASSURES A HEARING FOR OUR VIEWS ON HUMAN RIGHTS AND OTHER ISSUES AT THE HIGHEST LEVELS AND CREATES A CLIMATE IN WHICH THE VIEWS ARE SERIOUSLY CONSIDERED. SIMILARLY ONE CANNOT DISMISS THE BENEFITS OF GIVING FUTURE LEADERS OF THE RNA THE OPPORTUNITY TO LIVE FOR A NUMBER OF MONTHS IN THE FREE AND OPEN SOCIETY OF THE US AND TO OBSERVE A COUNTRY IN WHICH HUMAN RIGHTS ARE
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RESPECTED AND OBSERVED BY THE VAST MAJORITY. THESE OFFICERS MAY NOT BECOME CRUSADING REFORMERS, BUT IMPRESSIONS FORMED IN THE U.S. MAY WELL BE REFLECTED IN ACTIONS IN FUTURE YEARS.

12. ECONOMIC AND MILITARY AID FROM OTHER SOURCES: DETAILS OF MILITARY ASSISTANCE FROM OTHER SOURCES ARE NOT READILY AVAILABLE. GRANT AID TRAINING IS PROVIDED BY INDIA, GREAT BRITAIN, WEST GERMANY, AND FRANCE. IN THE PAST DEFENSE ARTICLES AND SERVICES HAVE BEEN SUPPLIED BY INDIA, USSR, CHINA, GREAT BRITAIN, ISRAEL, AND FRANCE. IN GENERAL, HOWEVER, THE ONLY PROGRAM (TRAINING AND EQUIPMENT) OF ANY MAGNITUDE IS THAT OF INDIA AND EVEN THAT IS SMALL IN RELATION TO THE ECONOMIC AID OFFERED TO NEPAL PRIMARILY FROM INDIA, US, CHINA, AND MULTILATERAL DONORS (IBRD, ADB, AND UNDP), AMONG OTHERS. IN FY 77/78 IT IS ESTIMATED THAT FOREIGN ECONOMIC ASSISTANCE TO NEPAL HAS TOTALED NEARLY \$80 MILLION, WITH THIS TOTAL DUE TO GO UP SHARPLY NEXT YEAR. INDIA JOINS OTHER DONORS IN PUTTING FAR GREATER EMPHASIS ON THE ECONOMIC DEVELOPMENT SIDE, AN EMPHASIS WHICH IS ENTIRELY CONSISTENT WITH NEPALESE PLANS AND DESIRES.

13. PROGRAM LEVEL REQUIREMENTS: FOLLOWING LEVELS PROPOSED FOR IMET FOR FY 80. ALL TRAINING TO BE IN CONUS AND IT IS UNLIKELY THAT GON CAN AFFORD TO SHARE COSTS BY PAYING FOR TRAVEL AND LIVING ALLOWANCES. REASONS TRAINING PROPOSED FOR IMET FURNISHED IN PARA 8.

A. NEPAL - SECURITY ASUISTANCE PROGRAM: CURRENT
(FY 79 CPD) - \$60,000. FY 80: LEVEL 1 (MINIMUM) - \$27,000;
LEVEL 2 (INTERMEDIATE) - \$43,000; LEVEL 3 (CURRENT) - \$60,000.

B. LEVEL DESCRIPTION, RISK/BENEFITS: MINIMUM - PROVIDES TRAINING FOR TWO ARMY OFFICERS, ONE EACH AT CGSC AND INFANTRY OFFICER ADVANCED. THIS AMOUNTS TO SIXTY PERCENT REDUCTION (FROM

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FIVE OFFICERS TO TWO) FROM FY 79 LEVELS. WHILE THIS CUT WOULD HAVE ONLY MINOR IMPACT ON OVERALL RNA TRAINING PROGRAMS, IT WOULD RESULT IN A LESSENING OF WESTERN INFLUENCE ON NEPALESE ARMY. MORE IMPORTANT, A CUT OF THIS MAGNITUDE WOULD BE VIEWED WITHIN THE ARMY, AND TO A LESSER EXTENT BY THE GON, AS A WHOLE, AS A SIGN OF DIMINISHED USG INTEREST IN AND SUPPORT FOR NEPAL. AT MINIMUM IT WOULD REDUCE OUR ACCESS TO A KEY ELEMENT OF NEPAL'S RULING ELITE. THE HUMAN RIGHTS IMPACT WOULD DEPEND ON HOW THE NEPALESE ASSESSED THE RATIONALE BEHIND THESE CUTS. IF PRESENTED AS A CONSEQUENCE OF DEFICIENCIES IN NEPAL'S HUMAN RIGHTS RECORD, GON WOULD BE DEEPLY RESENTFUL, ALL THE MORE SO IF THEY WERE LUMPED WITH FLAGRANT-ABUSE COUNTRIES. WE WOULD FIND OUR ACCESS AND INFLUENCE ON HUMAN RIGHTS ISSUES MUCH REDUCED. ON THE OTHER HAND, IF PRESENTED IN THE CONTEXT OF WORLDWIDE IMET REDUCTIONS, WITH NO EFFORT TO SINGLE OUT NEPAL, THE HUMAN RIGHTS IMPACT MIGHT BE NEGLIGIBLE.

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INTERMEDIATE - THIS LEVEL WOULD ADD ONE ADDITIONAL CGSC STUDENT TO MINIMUM LEVEL. THIS WOULD INVOLVE A FORTY PERCENT REDUCTION BELOW THE CURRENT LEVEL AND WOULD ALSO PRECLUDE TECHNICAL TRAINING FOR WHICH THE

RNA HAS A REAL REQUIREMENT. THE CONSEQUENCES WOULD BE MUCH THE SAME AS FOR THE MINIMUM LEVEL, PERHAPS TO SLIGHTLY LESSER DEGREE. THE SAME ISSUE OF NEPALESE PERCEPTION OF THE REASONS FOR THE CUT WOULD BE KEY TO ITS IMPACT ON HUMAN RIGHTS INTERESTS.

CURRENT LEVEL- THIS WOULD CONTINUE THE PRESENT FIVE-OFFICER PROGRAM: TWO CGSC, TWO COMBAT ARMS ADVANCED COURSE, AND ONE TECHNICAL COURSE SUCH AS MEDICAL, AUTOMOTIVE OR SIGNAL REPAIR. THE BENEFITS OF THIS PROGRAM HAVE ALREADY BEEN SET FORTH IN THIS MESSAGE. IT WOULD HAVE THE ADDITIONAL BENEFIT OF CONVEYING THE CONTINUITY OF US SUPPORT FOR AND INTEREST IN THE RANA, ALBEIT AT VERY MODEST LEVELS, AN IMPORTANT FACTOR IN BOLSTERING NEPAL'S ALWAYS SHAKY SELF-CONFIDENCE. C. AMBASSADOR'S PROJECTIONS FOR FYS 80-82; THE AMBASSADOR BELIEVES STRONGLY THAT THE PROGRAM SHOULD CONTINUE AS IS -- I.E. A \$60,000 IMET WITH POSSIBLE INCREASES TO COVER INFLATION FACTOR THROUGH FY 82. THE IMET PROGRAM IN NEPAL IS ALREADY A BAREBONES EFFORT, BUT ONE WHICH HAS MEANING IN THE LOCAL CONTEXT AS DESCRIBED ABOVE. TO CUT A PROGRAM ALREADY SO SMALL MAKES LITTLE FISCAL SENSE FOR THE US AND COULD BE MISINTERPRETED BY THE GON AS A POLITICAL SIGNAL OF WANING US INTEREST IN NEPAL. HECK

SECRET

NNN

Message Attributes

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